

III. Verification of Annual Fall Enrollment Counts

The State Education Office shall “verify annual fall enrollment counts for all public and public charter schools pursuant to section 2402 of the District of Columbia School Reform Act of 1995 and section 702 of the Public School Enrollment Census Act of 1998”.

A. Summary Chart

	Pre-Transfer of Function	Post-Transfer of Function
Responsible Office and Budget Authority	DC Financial Responsibility and Management Assistance Authority	State Education Office
Personal Services	Not available	\$20,000 est.
Program Costs	\$150,000	\$1,500,000+

B. Background

Legislation. The credibility of the District of Columbia Public Schools’ enrollment figures has been an issue of public concern since the February 1990 finding that District of Columbia Public Schools had significantly overstated enrollment in its official reports for 1987-88 and that the 1989-90 count was withheld because of the system’s reluctance to admit publicly the extent of decline in enrollment. For much of the last decade, total public school enrollment in the District of Columbia, excluding kindergarten and adult-age student, approached or exceeded census estimates of the total population ages 5 through 17. If non-public school enrollment and dropouts are included, there appear to be thousands more children in the schools than actually reside in the District of Columbia.

The need for an explanation of this phenomenon led to several legislative provisions for independent audits of public school enrollment counts. In fact, the DC Code has three sets of requirements for auditing enrollment counts: (1) the DC School Reform Act of 1995, section 2402(d), DC Code § 31-2853.42(d), enacted by the United States Congress; (2) the Uniform Per Student Funding Formula, enacted by the Council of the District of Columbia, originally in section 107(a), but moved to section 107(e) by temporary and emergency Council legislation in 2000, DC Code § 31-2906; and (3) the Enrollment Census Act of 1998, DC Code § 31-2843.42A, also enacted by the Council. The latter two laws are the most recent and require a census-type audit of enrollment in all public schools in the District of Columbia.

In passing the District of Columbia School Reform Act of 1995 (Public Law 104-134), the United States Congress directed that funding for the District of Columbia Public Schools and the public charter schools be based upon a uniform per capita funding formula. This action by the Congress tied school funding directly to enrollment *and* underscored the need for an accurate enrollment count.

The District of Columbia School Reform Act of 1995 also required the DC Board of Education to arrange with the Financial Responsibility and Management Assistance Authority to provide for the conduct of an independent audit of the initial calculations of

the numbers of students enrolled in both the District of Columbia Public Schools and public charter schools. The law requires the independent auditor to (1) provide an opinion as to the accuracy of the calculations and (2) identify any material weaknesses in the systems, procedures, and methodologies used by the Board of Education in determining numbers of students, and in assessing and collecting fees and tuition for nonresident students.

In July 2000, the Council of the District of Columbia passed the State Education Office Establishment Act of 2000, providing for the transfer to and assumption of responsibility for verifying annual fall enrollment counts for all public and public charter schools by a new State Education Office under the Office of the Mayor of the District of Columbia.

History. For the past four years, the D.C. Financial Responsibility and Management Assistance Authority has retained Thompson, Cobb, Bazilio, & Associates. P.C. (TCBA) to conduct an audit of the official membership count for the District of Columbia Public Schools and public charter schools. In addition to verifying the accuracy of the official membership count, the intent of the audit is to confirm the following information reported by District of Columbia Public Schools and public charter schools:

- (1) the number of students, including nonresident students and students with special needs, enrolled in each grade from kindergarten through grade twelve;
- (2) the number of students whose tuition for enrollment in other schools is paid with funds available to DCPS;
- (3) the amount of fees and tuition assessed and collected from the nonresident students;
- (4) the number of students, including nonresident students, enrolled in preschool and pre-kindergarten;
- (5) the amount of fees and tuition assessed from the nonresident students enrolled in preschool or pre-kindergarten;
- (6) the number of students, including nonresident students, enrolled in non-grade level programs; and
- (7) the amount of fees and tuition assessed and collected from resident and nonresident students enrolled in non-grade level programs.

The independent auditor also performs an evaluation of the enrollment processes and enrollment counting procedures employed by District of Columbia Public Schools and public charter schools. The most recent audit was completed and submitted to the DC Financial Responsibility and Management Assistance Authority in December 2000.

Since the inception of the annual independent audit of school enrollment, the methodology used has engendered a continuing complaint from public charter schools. The audit, as conducted in the past, has counted every student in public charter schools while counting only a sample of students in the District of Columbia Public Schools.

Current Status. Arrangements are being made for the transfer of files related to this function from the Financial Responsibility and Management Assistance Authority to the State Education Office. Files will be transferred following approval of the school year

2000-2001 audit of the annual fall enrollment count. Staff of the Financial Responsibility and Management Assistance Authority will complete requisite follow up efforts, with the exception of the handling of contested audit findings. The State Education Office, with advice from staff of the Financial Responsibility and Management Assistance Authority, will determine how to resolve those instances in which schools contest the findings of the independent auditor.

C. Proposal for Transfer of the Function

Authority. The State Education Office Establishment Act of 2000 provides for the transfer to and assumption of responsibility by the State Education Office for verifying annual fall enrollment counts for all public and public charter schools pursuant to section 2402 of the District of Columbia School Reform Act of 1995 and section 702 of the Public School Enrollment Census Act of 1998.

Issues.

- The selection of an independent auditor should be made by July of 2001 to provide sufficient preparation time for the audit of enrollment counts in District of Columbia public charter schools and the District of Columbia Public Schools. Given projected timelines for issuing a new request for proposals and making an award, a request for proposals should be issued no later than May 2001.
- The State Education Office's budgets for fiscal years 2001 and 2002 do not include sufficient funds to support the conduct of a census-type enrollment audit of the District of Columbia Public Schools and of District of Columbia public charter schools. This lack of sufficient funds appears to dictate the continuation of the use of sampling methodology in the conduct of the enrollment audit. It also appears that current legislation should be modified to permit at least one more year without a census-type enrollment audit.
- The availability of funds in fiscal year 2002 to support a census-type audit of the annual fall school enrollment count must be assured in order to make possible the conduct of a census-type audit *and* to ensure compliance with current statutes. These costs are projected to be upwards of \$1.5 million annually.
- A census-type audit may require modification of current legislated timelines for the submission of the final audit report and use of report findings in order to provide adequate time for reconciliation of data, the preparation of the audit report, and an audit resolution process that includes the independent contractor. This type of audit may lead to delays in adjusting the per pupil payments to public charter schools to reflect the audited enrollment counts.
- Resolution of continuing problems identified in audits of the enrollment counts also may require that consideration be given to mounting a concerted technical assistance effort to increase the capacity of schools to achieve greater accuracy in initial enrollment calculations.

Timelines. The State Education Office will issue a new request for proposals in May 2001. An award will be made in July of 2001.

Staffing Requirements. Responsibility for developing and issuing a request for proposals, managing the review and selection process, and monitoring the work of the independent auditor will be included in the portfolio of a professional staff person with competencies and skills in procurement, managing and providing leadership to issue-specific work groups, problem solving, preparing and analyzing technical reports, and oral and written communication.

First Year Budget Requirements and Legislation. The most significant costs will be those associated with the conduct of the independent audit of student enrollment counts. It is estimated that the cost of a census type audit of all public schools may exceed \$1,500,000. However, since the school year 2001-2002 enrollment audit is to be conducted as it has been in the past, with only a sample of District of Columbia Public Schools included, the costs should not exceed \$150,000. Since current law clearly calls for an audit of all public schools, changes in legislation are required in order to continue the practice of employing sampling methodology, if only for one more year. It also should be noted that if the audit is limited to a sample of District of Columbia Public Schools, the disparity in treatment between the District of Columbia Public Schools and District of Columbia public charter schools will persist.

Factors With Potential For Disrupting Services to Students. The transfer of this function to the State Education Office has little if any potential for disrupting services to students. However, the timing of the issuance of the request for proposals and the selection of the independent auditor may, if delayed, directly affect the timing of the allocation of funds to public schools in the District of Columbia.

D. Schedule of Key First-Year Tasks

The following tasks are critical to first year implementation of the State Education Office's responsibility for verifying annual fall enrollment counts for all public and public charter schools in the District of Columbia.

Task Description	Projected Completion Date
1. Assumption of full responsibility for verifying fall enrollment fall enrollment counts for all public and public charter schools	No later than July 1, 2001
2. Identifying and employing a qualified professional staff person	March 2001
3. Preparing and issuing a request for proposals	March 2001
4. Selecting an independent auditor	June 2001
5. Designing a technical assistance strategy for enhancing capacity of all public schools to achieve greater accuracy in initial enrollment calculations	July 2001